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TTXAS HOUSE OF REPRESENTATIVES District 88



July 9,2020

Public Utility Commission of Texas 1701 N. Congress Avenue Austin, Texas 78711

Dear Chairman Walker, Commissioner D'Andrea, and Commissioner Botkin,

I appreciate your continued leadership during this unprecedented time for Texas and our nation.

During the ongoing public health and economic crises, staying connected is especially important to enable Texans to have reliable, affordable access to telemedicine, remote work, distance learning, e-commerce, and connections with friends and family. Connectivity is important across the entire state, but most critically to Texans in rural areas. The Universal Service Fund plays a vital role in sustaining and growing that connectivity in rural Texas.

It is my understanding that the Commission recently had the opportunity to vote to keep the fund solvent, but chose to not bring up the issue. This decision could have long lasting and perhaps devastating ramifications to more than half our state. If the fund goes bankrupt, I am concerned several of our small local phone companies, many of whom are phone cooperatives originally created because their service areas were underserved or had no service at all, will simply close their doors.

The Commission has several options at its disposal to keep the fund viable. Increasing the assessment, changing the applicability of the assessments to include VOIP or other internet based calls, or shifting from a revenue based assessment to a per connection based assessment. All of these can be accomplished by rule and do not require legislative action. If further legislative action is required, I am prepared to stand with rural Texans in providing solutions for their connectivity needs. Unfortunately, if the funding issue is not addressed in the short term a legislative solution will be too late.

Again, I appreciate the Commission's leadership during this time, and I trust you will make appropriate decisions to ensure that all of Texas keeps the connectivity that is so desperately needed.

Please do not hesitate to contact me if you have any questions. I look forward to your action on this important matter.

Sincerely

Ken King

District 88

State Representative

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